



**Testimony of
Leo Paul, First Selectman, Town of Litchfield
On behalf of the
Connecticut Council of Small Towns
Before the Appropriations Committee
April 5, 2011**

**RE: HB-5117 - AN ACT CONCERNING PORTIONS OF THE STATE BUDGET
APPROPRIATING AID TO MUNICIPALITIES.**

The Connecticut Council of Small Towns (COST) *supports the intent of HB-5117*, which would require the General Assembly to adopt portions of the state budget appropriating aid to municipalities not later than March first in any calendar year.

Towns generally begin to hold meetings on local budgets as early as January or February in order to develop and approve a budget before the beginning of the new fiscal year. For several years now, the state's ongoing fiscal challenges have caused tremendous uncertainty regarding whether levels of municipal aid would be decreased or flat-funded. This uncertainty has made it difficult for towns to craft sound budgets because state aid to municipalities is a big portion of the revenues that towns count on to fund critical programs and services, such as education, public safety, roads and bridges and other infrastructure.

We therefore support the intent of HB-5117 to aid this process and provide more certainty to towns. However, we are concerned that requiring lawmakers to determine municipal aid levels before the entire budget and tax package is adopted may force lawmakers to move forward with lower municipal aid levels or to revisit aid levels in order to negotiate the remainder of the budget. Without having an entire budget in place, lawmakers will not have sufficient information on which to base decisions concerning municipal aid levels.

COST therefore encourages lawmakers to continue to explore ways that will provide towns and cities with greater certainty regarding municipal aid levels, such as requiring the state to adopt its entire budget earlier in the process.